

**From:** "Eurick, Glenn (KUCC)" <eurickgm@kennebecott.com>  
**To:** "Paul Baker" <paulbaker@utah.gov>  
**Date:** 5/4/2009 1:01 PM  
**Subject:** RE: M-035-011 Copperton Concentrator Surety Escalation Calculations

0001 fore file  
M/035/0002  
cc Leslie  
Outgoing

**CC:** "Kaiser, Chris (KUCC)" <kaiserc@kennebecott.com>, "Kristensen, Cassady (KU...  
Paul, Kennecott agrees to September 29, 2012 as the next escalation date  
for M/035/011.

No task

Thank you for your continued cooperation in this matter.

GME

Glenn M. Eurick

Senior Engineer - Permitting

Kennecott Utah Copper

Rio Tinto

4700 Daybreak Parkway, South Jordan, UT 84095

T: (801) 204-2113 M: (801) 541-3577 F: (801) 204-2888

Glenn.Eurick@riotinto.com www.riotinto.com <<http://www.riotinto.com/>>  
www.kennecott.com <<http://www.kennecott.com/>>

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-----Original Message-----

From: Paul Baker [mailto:paulbaker@utah.gov]  
Sent: Monday, May 04, 2009 12:47 PM  
To: Eurick, Glenn (KUCC)  
Cc: Leslie Heppler; Wayne Western  
Subject: Re: M-035-011 Copperton Concentrator Surety Escalation Calculations

Glenn--

After talking with Leslie and Wayne, I have re-run the numbers based on actual escalation figures from 2003-2008 rather than the projected figures. This should be more accurate. It changes the escalation date from March 30, 2013, to September 29, 2012. I have attached the spreadsheet showing how we arrived at the final figures for 2008 and 2014.

Paul Baker

Minerals Program Manager

Utah Division of Oil, Gas and Mining

801-538-5261

Fax 801-359-3940

>>> "Eurick, Glenn (KUCC)" <eurickgm@kennebecott.com> 4/30/2009 10:33 AM  
>>>

Paul, I have run the numbers as well and agree with your calculations  
sent via email 2009-04-29 (see below).

KUC prefers the shortened escalation period option and concur with your  
calculated escalation deadline of March 30, 2013 for M/035/011.

Please advise if you would like this agreement and schedule on KUC  
letterhead for your records.

Thank you for your continued cooperation in this matter.

GME

Glenn M. Eurick

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Glenn.Eurick@riotinto.com <mailto:Glenn.Eurick@riotinto.com>

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From: Paul Baker [PAULBAKER@utah.gov]

Sent: Wednesday, April 29, 2009 2:35 PM

To: Eurick, Glenn (KUCC)

Cc: Kaiser, Chris (KUCC); Kenyon, Zeb (KUCC); Payne, Kelly (KUCC)

Subject: RE: Surety Bond Escalations

Glenn--

How's your math? I had to call my son (math major at BYU) to get help

with this although it's just advanced algebra.

It's probably hard to follow all this math, but it works.

For the Copperton Concentrator, we currently hold three bonds:

\$10,754,700 LOC with ScotiaBank

\$2,720,700 LOC with Royal Bank of Scotland \$10,429,000 Surety with St.

Paul Fire and Marine \$23,904,400 Total

I thought I had told you we had this much but perhaps not. In any case,  
here are my calculations for the escalation:

$\$23,904,400$  (what we currently hold) +  $\$501,753$  (bulk flotation  
demolition) =  $\$24,406,153$